

## Blue Hill Co-op Board Meeting

May 27, 2021, via Google Meet

Board Members Attending: Jo Barrett, Diane Bianco, Cheryl Boulet, Jenny Brillhart, Deborah Evans, Jerome Lawther, Jennifer Traub, Tim Tunney, Martha Shepherd (Staff Position).

Absent Board Member(s): Aaron Dority.

Others Attending: Julia Klein (Minute Taker), Kevin Gadsby (General Manager).

Julia Klein, minute taker

Diane Bianco, meeting facilitator, timekeeper

Jerome Lawther, task and decisions

Open Owner Time: No owners present.

Approval of Minutes: **Jen moved to approve the April 22, 2021 board meeting minutes. Jo seconded the motion. The motion unanimously carries.**

### GM Monitoring:

GM Monitoring Report – Directors discussed troubles with file access in Google drive. It was noted that refreshing the webpage often restores missing files.

B4 Membership Rights and Responsibilities – Kevin took questions from the board and raised a question regarding transfer of equity when an owner dies. The scenario is not mentioned in the bylaws which simply state that no member equity can be transferred to another. Kevin has received a request to transfer investment equity to a family member of a deceased owner. The board clarified that owner equity should be distinguished from investment equity. Deborah commented that bylaw changes must be addressed promptly in order to place changes on this year's ballot. Kevin has referenced other Co-op's bylaws on the subject. Discussion ensued. The finance committee will draft a bylaw change proposal to be sent for legal counsel. Diane will review Columinate's suggestions. **Jerome moved to approve policy B4. Deborah seconded the motion. The motion unanimously carries,**

Kevin highlighted April's 74% growth from the monthly financial update. However, he reminded the board that growth does not translate into an abundance of cash at this time. Sales have grown 56% year to date with May around 50%. However, Kevin emphasized the necessity of refinancing as ratios appear to be trending in the wrong direction. Diane asked about high accrued wages in April. Kevin responded that there were more payroll weeks than usual in the month, but the figure is on target from a yearly perspective. Tim noted that monthly financial monitoring is showing important growth in profit margins as well as sales.

Mask Policy Update – Kevin shared that upon announcing the mask update he was inundated with emails from polar extremes. The attached poll showed that 62 owners were in favor of continued mandatory masking in Maine and 47 in favor of the lifted mandate. Both the owners and the staff are deeply divided on the issue, though many have expressed appreciation for the option to decide for themselves. Kevin described the atmosphere at the Co-op as generally peaceful with only a few unmasked shoppers each day, though a couple of heated incidents

occurred on the first day. Most staff have decided to continue masking. Kevin inquired whether he should have consulted the board before deciding mask policy. Discussion and questions ensued. The board affirmed their support of Kevin's decision and his letter.

Finance Committee – Tim shared that the committee's work has focused on moving forward with the RFP process with the plan to go out to banks in the community. Modeling of the refinance, turning 3 loans into 1 at a 25-year amortization, showed a reduction in debt service by \$93,000 per year. This could allow for payment of some dividends. Tim stressed the importance of an agreement with lenders to allow distributions to owners as long as a baseline cash amount is met. The committee is meeting weekly and hopes that the RFP will go out in July. Responses may come in as early as September with hope of closing by year end. Tim commented that he is looking into as many options as possible and opened for questions. The board thanked Tim and committee for their work.

Kevin shared that the committee is also discussing an investment opportunity for owners and will need full board support. The committee hoped to be through the legal process and ready by August of this year. Discussion ensued. Kevin and the Board expressed concern regarding pursuit of refinancing and owner investments concurrently, noting that traditional financing may be more attractive to investors. The board agreed that refinancing should be pursued first.

#### Board Monitoring

Announcement – Diane announced that she will be stepping down as president in September but will remain on the board. She urged the directors to consider nominations for board president, secretary, and treasurer. Officer elections will take place at the October meeting following the September Annual Meeting. Tim expressed appreciation for Diane's work as president.

Board Development – Deborah and Jo recommended a bylaw change and sought approval to draft language for the September ballot, changing the number of board seats from 3-15 directors to 9 directors elected by members and 1 director elected by staff. Deborah also explained that the bylaws do not support electronic voting. Current bylaws mention paper ballots at a physical location or sent through the mail. She asked for board approval to draft a bylaw change to include electronic voting. Lengthy discussion and review of board history ensued. It was suggested that term limits be addressed as well. Kevin noted that in his research of other Co-ops, a board of 9 seats is most common. He also raised concern over the board staff seat, which is rare among other Co-ops due to conflict of interest. Kevin urged the board to clarify the purpose of the staff board seat. **Jennifer moved that Jo and Deborah will draft bylaw changes for the number of board seats and to allow electronic voting. Drafts will be approved by the board and forward to the lawyer for counsel. Jerome seconded the motion. The motion unanimously carries.** Term limits and the staff board position may be addressed at a later election.

C4 Board Monitoring – Jennifer presented her report highlighting non-compliance with C4-1 regarding maintaining focus on whole board responsibilities in meetings. She noted that she sent the report prior to board training with Jade Barker in order to address the issue. Also, Jo discovered an inconsistency between policy C4-3 and the bylaws regarding the use of consensus and 2/3 majority vote. Jo drafted a policy change to resolve the discrepancy. Naturally, discussion ensued about voting by simple or 2/3 majority versus seeking consensus. Jerome

suggested changing the bylaws to clarify the voting process. Jen and Jo will draft language for bylaw and policy changes to clarify voting procedures. **Jerome moved to accept the C4 monitoring report. Tim seconded the motion. The motion unanimously carries.**

Agenda:

GM Report

Equity Transfer Bylaw Change

Finance Committee

Annual Meeting Preparation

C5 Directors Code of Conduct - Jo

Meeting Evaluation: Let's start meeting at the Co-op next month!!!

Due Date for the Board Packet: Items for the Board Packet will be due on Monday, June 14, 2021.

Next Board Meeting: Thursday, June 24, 2021, 6:30-8:30 PM, Blue Hill Co-op, Café.

Minutes respectfully submitted by Julia Klein